

SENATE CS FOR CS FOR HOUSE BILL NO. 157(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 4/12/22

Referred: Finance

Sponsor(s): REPRESENTATIVES RASMUSSEN, Kreiss-Tomkins, Schrage, Merrick, LeBon, Josephson, Hopkins, Story, Tarr

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring the disclosure of the identity of certain persons, groups, and**
2 **nongroup entities that expend money in support of or in opposition to an application**
3 **filed for a state referendum or recall election; relating to the location of offices for the**
4 **Alaska Public Offices Commission and the locations at which certain statements and**
5 **reports filed with the commission are made available; clarifying the limits on making,**
6 **accepting, and reporting certain cash campaign contributions; relating to campaign**
7 **finance reporting by certain groups; changing the date a legislator is required to report**
8 **certain campaign contributions and expenditures; increasing the time the Alaska Public**
9 **Offices Commission has to respond to a request for an advisory opinion; relating to**
10 **penalties assessed for campaign finance violations; relating to complaints alleging**
11 **campaign finance violations; repealing a reporting requirement for certain**
12 **contributions; relating to contribution limits and recall campaigns; relating to the**

1 reporting of financial and business interests by municipal officers, former municipal
 2 officers, and candidates for municipal office; relating to reporting of contributions made
 3 after the date of the election by a candidate for the legislature; and providing for an
 4 effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 15.13.010(b) is amended to read:

7 (b) Except as otherwise provided, this chapter applies to contributions,
 8 expenditures, and communications made to influence the nomination or election of
 9 a candidate or for the purpose of

10 (1) influencing the outcome of a ballot proposition or question; or

11 (2) supporting or opposing

12 (A) an initiative proposal application filed under
 13 AS 15.45.020;

14 (B) a referendum application filed under AS 15.45.260; or

15 (C) a recall application filed under AS 15.45.480 [AS WELL
 16 AS THOSE MADE TO INFLUENCE THE NOMINATION OR ELECTION
 17 OF A CANDIDATE].

18 * **Sec. 2.** AS 15.13.020(j) is amended to read:

19 (j) The commission shall establish offices [AN OFFICE, WHICH MAY BE
 20 CALLED A REGIONAL OFFICE, IN EACH SENATE DISTRICT IN THE STATE]
 21 to keep on file for public inspection copies of all reports filed with the commission
 22 [BY CANDIDATES FOR STATEWIDE OFFICE AND BY CANDIDATES FOR
 23 LEGISLATIVE OFFICE IN THAT DISTRICT; HOWEVER, WHERE ONE
 24 MUNICIPALITY CONTAINS MORE THAN ONE HOUSE DISTRICT, ONLY
 25 ONE COMMISSION OFFICE SHALL BE ESTABLISHED IN THAT
 26 MUNICIPALITY. THE REGIONAL OFFICE SHALL MAKE ALL FORMS AND
 27 PERTINENT MATERIAL AVAILABLE TO CANDIDATES. ALL REPORTS
 28 SHALL BE FILED BY CANDIDATES, GROUPS, AND INDIVIDUALS
 29 DIRECTLY WITH THE COMMISSION'S CENTRAL DISTRICT OFFICE. THE

COMMISSION SHALL ENSURE THAT COPIES OF ALL REPORTS BY
STATEWIDE AND LEGISLATIVE CANDIDATES IN EACH SENATE DISTRICT
ARE FORWARDED PROMPTLY TO THAT DISTRICT OR REGIONAL OFFICE].

* **Sec. 3.** AS 15.13.040(b) is amended to read:

(b) Each group shall make a full report on [UPON] a form prescribed by the
commission, listing

(1) the name and address of each officer and director;

(2) the aggregate amount of all contributions made to it; and, for all
contributions in excess of \$100 in the aggregate in a calendar year, the name, address,
principal occupation, and employer of the contributor, and the date and amount
contributed by each contributor; for purposes of this paragraph, "contributor" means
the true source of the funds, property, or services being contributed; and

(3) the date and amount of all contributions made by it and all
expenditures made, incurred, or authorized by it.

* **Sec. 4.** AS 15.13.050(a) is amended to read:

(a) Before making an expenditure in support of or in opposition to a candidate
or before making an expenditure in support of or in opposition to a ballot proposition
or question or to an initiative proposal application filed [WITH THE LIEUTENANT
GOVERNOR] under AS 15.45.020, a referendum application filed under
AS 15.45.260, or a recall application filed under AS 15.45.480, each person other
than an individual shall register, on forms provided by the commission, with the
commission.

* **Sec. 5.** AS 15.13.065(c) is amended to read:

(c) Except for reports required by AS 15.13.040 and 15.13.110 and except for
the requirements of AS 15.13.050, 15.13.060, and 15.13.112 - 15.13.114, the
provisions of AS 15.13.010 - 15.13.116 do not apply to limit the authority of a person
to make contributions to influence the outcome of a ballot proposition. In this
subsection, [IN ADDITION TO ITS MEANING IN AS 15.80.010,] "proposition"

(1) includes, in addition to its meaning in AS 15.80.010,

(A) [(1)] an issue placed on a ballot to determine whether

(i) [(A)] a constitutional convention shall be called;

(ii) [(B)] a debt shall be contracted;

(iii) [(C)] an advisory question shall be approved or rejected; or

(iv) [(D)] a municipality shall be incorporated;

(B) [(2)] an initiative proposal application filed [WITH THE LIEUTENANT GOVERNOR] under AS 15.45.020; and

(C) a referendum application filed under AS 15.45.260;

(2) does not include a recall application filed under AS 15.45.480 or a recall question.

* **Sec. 6.** AS 15.13.072(b) is amended to read:

(b) In a calendar year, a [A] candidate or an individual who has filed with the commission the document necessary to permit the individual to incur election-related expenses under AS 15.13.100, or a group, may not solicit or accept a cash contribution that exceeds \$100.

* **Sec. 7.** AS 15.13.074(e) is amended to read:

(e) A person or group may not make a cash contribution that exceeds \$100 in a calendar year.

* **Sec. 8.** AS 15.13.110(a) is amended to read:

(a) Each candidate, group, and nongroup entity shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it must cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, or a report subject to (m) of this section, it must cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on February 1 of that year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 105 days after a special election; and

(4) **except as provided by (m) of this section,** February 15 for expenditures made and contributions received that were not reported previously, including, if applicable, all amounts expended from a public office expense term account established under AS 15.13.116(a)(8) and all amounts expended from a municipal office account under AS 15.13.116(a)(9), or when expenditures were not made or contributions were not received during the previous year.

* **Sec. 9.** AS 15.13.110(e) is amended to read:

(e) A **referendum committee, person, group, or nongroup entity receiving contributions exceeding \$500 or making expenditures exceeding \$500 in a calendar year in support of or in opposition to a referendum on the ballot in a statewide election or a referendum application filed with the lieutenant governor under AS 15.45.260 shall file a** [GROUP FORMED TO SPONSOR A REFERENDUM OR A RECALL SHALL REPORT 30 DAYS AFTER ITS FIRST FILING WITH THE LIEUTENANT GOVERNOR. THEREAFTER, EACH GROUP SHALL] report within 10 days after the end of each calendar quarter on the contributions received and expenditures made during the preceding calendar quarter until reports are due under (a) **and (b)** of this section. **If the report is a first report, it must cover the period beginning the day a referendum application is filed under AS 15.45.260 and ending three days before the due date of the report.**

* **Sec. 10.** AS 15.13.110 is amended by adding new subsections to read:

(l) A recall committee, person, group, or nongroup entity receiving contributions exceeding \$500 or making expenditures exceeding \$500 in a calendar year in support of or in opposition to the recall of a public official in a statewide election or a recall application filed with the lieutenant governor under AS 15.45.480 shall file a report within 10 days after the end of each calendar quarter on the contributions received and expenditures made during the preceding calendar quarter until reports are due under (a) and (b) of this section. If the report is a first report, it must cover the period beginning the day a recall application is filed under AS 15.45.480 and ending three days before the due date of the report.

(m) Notwithstanding AS 15.13.110(a)(4), a candidate who is serving as a

1 legislator shall file the report due under AS 15.13.110(a)(4) not later than 15 days after
2 the date of the adjournment of the regular legislative session.

3 (n) A candidate for the legislature shall report each contribution exceeding
4 \$500 that is made on or after the date of the election to the commission by date,
5 amount, and contributor within seven days after the candidate, campaign treasurer, or
6 deputy campaign treasurer receives the contribution.

7 * **Sec. 11.** AS 15.13.374(c) is amended to read:

8 (c) Within seven business days after receiving a request satisfying the
9 requirements of (b) of this section, the executive director of the commission shall
10 recommend a draft advisory opinion for the commission to consider at its next
11 meeting.

12 * **Sec. 12.** AS 15.13.380(b) is amended to read:

13 (b) A person who believes a violation of this chapter or a regulation adopted
14 under this chapter has occurred or is occurring may file an administrative complaint
15 with the commission within two [FIVE] years after the date of the alleged violation. If
16 a member of the commission has filed the complaint, that member may not participate
17 as a commissioner in any proceeding of the commission with respect to the complaint.
18 The commission may consider a complaint on an expedited basis or a regular basis.

19 * **Sec. 13.** AS 15.13.390(a) is amended to read:

20 (a) Subject to (e) of this section, a [A] person who

21 (1) fails to register when required by AS 15.13.050(a) or who fails to
22 file a properly completed and certified report within the time required by
23 AS 15.13.040, 15.13.060(b) - (d), 15.13.110(a)(1), (3), or (4), (e), or (f) is subject to a
24 civil penalty of not more than \$50 a day for each day the delinquency continues as
25 determined by the commission subject to right of appeal to the superior court. A
26 person who fails to file a properly completed and certified report within the time
27 required by AS 15.13.110(a)(2) or 15.13.110(b) is subject to a civil penalty of not
28 more than \$500 a day for each day the delinquency continues as determined by the
29 commission subject to right of appeal to the superior court;

30 (2) whether as a contributor or intermediary, delays in reporting a
31 contribution as required by AS 15.13.040(r) is subject to a civil penalty of not more

1 than \$1,000 a day for each day the delinquency continues as determined by the
2 commission subject to right of appeal to the superior court;

3 (3) whether as a contributor or intermediary, misreports or fails to
4 disclose the true source of a contribution in violation of AS 15.13.040(r) or
5 15.13.074(b) is subject to a civil penalty of not more than the amount of the
6 contribution that is the subject of the misreporting or failure to disclose; upon a
7 showing that the violation was intentional, a civil penalty of not more than three times
8 the amount of the contribution in violation may be imposed; these penalties as
9 determined by the commission are subject to right of appeal to the superior court;

10 (4) violates a provision of this chapter, except as otherwise specified in
11 this section, is subject to a civil penalty of not more than \$50 a day for each day the
12 violation continues as determined by the commission, subject to right of appeal to the
13 superior court; and

14 (5) is assessed a civil penalty may submit to the commission an
15 affidavit stating facts in mitigation; however, the imposition of the penalties
16 prescribed in this section or in AS 15.13.380 does not excuse that person from
17 registering or filing reports required by this chapter.

18 * **Sec. 14.** AS 15.13.390(d) is amended to read:

19 (d) When an action has been filed in the superior court under AS 15.13.380,
20 upon proof of the violation, the court shall enter a judgment in the amount of the civil
21 penalty authorized to be collected under [BY (a) OF] this section.

22 * **Sec. 15.** AS 15.13.390(e) is amended to read:

23 (e) If the commission or superior court finds that the violation was

24 (1) not a repeat violation or was not part of a series or pattern of
25 violations, was inadvertent, was quickly corrected, and had no adverse effect on
26 another [THE] campaign [OF ANOTHER], the commission or the court may

27 (A) [(1)] suspend imposition of the penalties; and

28 (B) [(2)] order the penalties set aside if the person does not
29 engage in a similar violation for a period of one year;

30 (2) inadvertently committed by a candidate, the maximum
31 financial penalty the commission or the court may impose may not exceed 20

1 **percent of the total contributions made to the candidate's campaign.**

2 * **Sec. 16.** AS 15.13.400(4) is amended to read:

3 (4) "contribution"

4 (A) means a purchase, payment, promise or obligation to pay,
5 loan or loan guarantee, deposit or gift of money, goods, or services for which
6 charge is ordinarily made, and includes the payment by a person other than a
7 candidate or political party **or other group**, or compensation for the personal
8 services of another person, that is rendered to the candidate or political party
9 **or other group** [,] and that is made for the purpose of

10 (i) influencing the nomination or election of a
11 candidate;

12 (ii) influencing a ballot proposition or question; or

13 (iii) supporting or opposing an initiative proposal
14 application filed [WITH THE LIEUTENANT GOVERNOR] under
15 AS 15.45.020, **a referendum application filed under AS 15.45.260,**
16 **or a recall application filed under AS 15.45.480;**

17 (B) does not include

18 (i) services provided without compensation by
19 individuals volunteering a portion or all of their time on behalf of a
20 political party, candidate, or ballot proposition or question;

21 (ii) ordinary hospitality in a home;

22 (iii) two or fewer mass mailings before each election by
23 each political party describing members of the party running as
24 candidates for public office in that election, which may include
25 photographs, biographies, and information about the candidates;

26 (iv) the results of a poll limited to issues and not
27 mentioning any candidate, unless the poll was requested by or designed
28 primarily to benefit the candidate;

29 (v) any communication in the form of a newsletter from
30 a legislator to the legislator's constituents, except a communication
31 expressly advocating the election or defeat of a candidate or a

newsletter or material in a newsletter that is clearly only for the private benefit of a legislator or a legislative employee;

(vi) a fundraising list provided without compensation by one candidate or political party to a candidate or political party; or

(vii) an opportunity to participate in a candidate forum provided to a candidate without compensation to the candidate by another person and for which a candidate is not ordinarily charged;

* **Sec. 17.** AS 15.13.400(7) is amended to read:

(7) "expenditure"

(A) means a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of

(i) influencing the nomination or election of a candidate or of any individual who files for nomination at a later date and becomes a candidate;

(ii) use by a political party;

(iii) the payment by a person other than a candidate or political party of compensation for the personal services of another person that are rendered to a candidate or political party;

(iv) influencing the outcome of a ballot proposition or question; or

(v) supporting or opposing an initiative proposal application filed [WITH THE LIEUTENANT GOVERNOR] under AS 15.45.020, a referendum application filed under AS 15.45.260, or a recall application filed under AS 15.45.480;

(B) does not include a candidate's filing fee or the cost of preparing reports and statements required by this chapter;

(C) includes an express communication and an electioneering communication, but does not include an issues communication;

* **Sec. 18.** AS 15.13.400(9) is amended to read:

(9) "group" means

1 (A) every state and regional executive committee of a political
2 party;

3 (B) any combination of two or more individuals acting jointly
4 who organize for the principal purpose of influencing the outcome of one or
5 more elections and who take action the major purpose of which is to influence
6 the outcome of an election; a group that makes expenditures or receives
7 contributions with the authorization or consent, express or implied, or under
8 the control, direct or indirect, of a candidate shall be considered to be
9 controlled by that candidate; a group whose major purpose is to further the
10 nomination, election, or candidacy of only one individual, or intends to expend
11 more than 50 percent of its money on a single candidate, shall be considered to
12 be controlled by that candidate and its actions done with the candidate's
13 knowledge and consent unless, within 10 days from the date the candidate
14 learns of the existence of the group the candidate files with the commission, on
15 a form provided by the commission, an affidavit that the group is operating
16 without the candidate's control; a group organized for more than one year
17 preceding an election and endorsing candidates for more than one office or
18 more than one political party is presumed not to be controlled by a candidate;
19 however, a group that contributes more than 50 percent of its money to or on
20 behalf of one candidate shall be considered to support only one candidate for
21 purposes of AS 15.13.070, whether or not control of the group has been
22 disclaimed by the candidate; and

23 (C) any combination of two or more individuals acting jointly
24 who organize for the principal purpose of filing

25 (i) an initiative proposal application under
26 AS 15.45.020 or who file an initiative proposal application under
27 AS 15.45.020;

28 (ii) a referendum application under AS 15.45.260 or
29 who file a referendum application under AS 15.45.260; or

30 (iii) a recall application under AS 15.45.480 or who file a recall
31 application under AS 15.45.480;

1 * **Sec. 19.** AS 24.45.091 is amended to read:

2 **Sec. 24.45.091. Publication of reports.** Copies of the statements and reports
3 filed under this chapter shall be made available to the public at the commission's
4 offices and on the commission's Internet website [CENTRAL OFFICE, THE
5 OFFICE OF THE LIEUTENANT GOVERNOR, THE LEGISLATIVE REFERENCE
6 LIBRARY OF THE LEGISLATIVE AFFAIRS AGENCY, AND AT THE
7 COMMISSION'S DISTRICT OFFICES PRESCRIBED IN AS 15.13.020(j)] as soon
8 as practicable after each reporting period.

9 * **Sec. 20.** AS 24.45.111(b) is amended to read:

10 (b) The commission shall preserve the statements and reports required to be
11 filed under this chapter for a period of six years from the date of filing. Copies [IF
12 THE COMMISSION'S CENTRAL OFFICE IS NOT IN THE STATE CAPITAL,
13 COPIES] of all statements and reports filed under this chapter shall be maintained in
14 the commission's offices and be made available on the commission's Internet
15 website [AN OFFICE ESTABLISHED BY THE COMMISSION IN THE STATE
16 CAPITAL OR IN THE OFFICE OF THE LIEUTENANT GOVERNOR].

17 * **Sec. 21.** AS 39.50.020(b) is amended to read:

18 (b) A public official, [OR] former public official, or candidate for municipal
19 office [OTHER THAN AN ELECTED OR APPOINTED MUNICIPAL OFFICER]
20 shall file the statement with the Alaska Public Offices Commission. Candidates for the
21 office of governor and lieutenant governor and, if the candidate is not subject to
22 AS 24.60, the legislature shall file the statement under AS 15.25.030. The Alaska
23 Public Offices Commission shall provide copies of the statements filed by
24 municipal [MUNICIPAL] officers, former municipal officers, and candidates for
25 elective municipal office to [SHALL FILE WITH] the applicable municipal clerk or
26 other municipal official designated to receive the statements [THEIR FILING FOR
27 OFFICE]. All statements required to be filed under this chapter are public records.

28 * **Sec. 22.** AS 15.13.040(k) is repealed.

29 * **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to
30 read:

31 APPLICABILITY. This Act applies only to a referendum or recall for which the

- 1 application is filed with the lieutenant governor under AS 15.45.260 or 15.45.480,
2 respectively, on or after the effective date of this Act.
3 * **Sec. 24.** This Act takes effect January 1, 2023.